

THIS INSTRUMENT PREPARED BY:
Merchants & Farmers Bank
P.O. Box 520
KOSCIUSKO, MS 39090
(662)289-5121

AFTER RECORDING RETURN TO:
Merchants & Farmers Bank
P.O. Box 520
KOSCIUSKO, MS 39090

(Space Above This Line For Recording Data)

COMMERCIAL REAL ESTATE DEED OF TRUST

This COMMERCIAL REAL ESTATE DEED OF TRUST ("Security Instrument") is made on **June 7, 2011** by the grantor(s) **Weldon Granger**, whose address is **10000 Memorial Drive Suite 888, Houston, Texas 77024** ("Grantor"). The trustee is **L. SCOTT PICKLE** whose address is **P.O. BOX 520, Kosciusko, Mississippi 39090** ("Trustee"). The beneficiary is **Merchants & Farmers Bank** whose address is **1287 STATELINE ROAD, Southaven, Mississippi 38671** ("Lender"), which is organized and existing under the laws of the State of Mississippi. Grantor in consideration of loans extended by Lender up to a maximum principal amount of **Unlimited**, ("Maximum Principal Indebtedness"), and for other valuable consideration, the receipt of which is acknowledged, irrevocably grants, conveys, warrants, bargains, sells, transfers, pledges and assigns to Trustee, in trust, with power of sale, the following described property located in the **CHANCERY CLERK** of **DESOTO COUNTY**, State of Mississippi:

Address: **Block of 6100 Elmore Road, SOUTHAVEN, Mississippi 38671**

Legal Description: **See Attached Exhibit "A"**

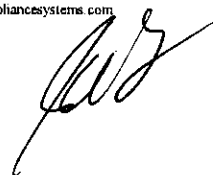
Property Size: **29 acres.**

INDEXING INSTRUCTIONS: PT. OF THE SW 1/4 OF THE SE 1/4 OF S31, T1S, R7W, AND PT. OF THE NW 1/4 OF THE NW 1/4 OF S6, T2S, R7W, DESOTO COUNTY, MISSISSIPPI

Together with all easements, appurtenances abutting streets and alleys, improvements, buildings, fixtures, tenements, hereditaments, equipment, rents, income, profits and royalties, personal goods of whatever description and all other rights and privileges including all minerals, oil, gas, water (whether groundwater, subterranean or otherwise), water rights (whether riparian, appropriate or otherwise, and whether or not appurtenant to the above-described real property), wells, well permits, ditches, ditch rights, reservoirs, reservoir rights, reservoir sites, storage rights, dams and water stock that may now, or at any time in the future, be located on and/or used in connection with the above-described real property, payment awards, amounts received from eminent domain, amounts received from any and all insurance payments, and timber which may now or later be located, situated, or affixed on and used in connection therewith (hereinafter called the "Property").

RELATED DOCUMENTS. The words "Related Documents" mean all promissory notes, security agreements, prior mortgages, prior deeds of trust, business loan agreements, construction loan agreements, resolutions, guaranties, environmental agreements, subordination agreements, assignments of leases and rents and any other documents or agreements executed in connection with this Security Instrument whether now or hereafter existing.

RETURN TO:
WATKINS LUDLAM WINTER & STENNIS, P A
P. O. BOX 1456
OLIVE BRANCH, MS 38654-1456
(662) 895-2996



The Related Documents are hereby made a part of this Security Instrument by reference thereto, with the same force and effect as if fully set forth herein.

INDEBTEDNESS. This Security Instrument secures the principal amount shown above as may be evidenced by a promissory note or notes of even, prior or subsequent date hereto, including future advances and every other indebtedness of any and every kind now or hereafter owing from Grantor to Lender, howsoever created or arising, whether primary, secondary or contingent, together with any interest or charges provided in or arising out of such indebtedness, as well as the agreements and covenants of this Security Instrument and all Related Documents (hereinafter all referred to as the "Indebtedness").

MATURITY DATE. The Indebtedness, if not paid earlier, shall be due and payable on **June 10, 2016**.

FUTURE ADVANCES. To the extent permitted by law, this Security Instrument will secure future advances as if such advances were made on the date of this Security Instrument regardless of the fact that from time to time there may be no balance due under the note and regardless of whether Lender is obligated to make such future advances.

CROSS COLLATERALIZATION. It is the expressed intent of Grantor to cross collateralize all of its Indebtedness and obligations to Lender, howsoever arising and whensoever incurred.

WARRANTIES. Grantor, for itself, its heirs, personal representatives, successors, and assigns, represents, warrants, covenants and agrees with Lender, its successors and assigns, as follows:

Performance of Obligations. Grantor promises to perform all terms, conditions, and covenants of this Security Instrument and Related Documents in accordance with the terms contained therein.

Defense and Title to Property. At the time of execution and delivery of this instrument, Grantor is lawfully seised of the estate hereby conveyed and has the exclusive right to mortgage, grant, convey and assign the Property. Grantor covenants that the Property is unencumbered and free of all liens, except for encumbrances of record acceptable to Lender. Further, Grantor covenants that Grantor will warrant and defend generally the title to the Property against any and all claims and demands whatsoever, subject to the easements, restrictions, or other encumbrances of record acceptable to Lender, as may be listed in the schedule of exceptions to coverage in any abstract of title or title insurance policy insuring Lender's interest in the Property.

Condition of Property. Grantor promises at all times to preserve and to maintain the Property and every part thereof in good repair, working order, and condition and will from time to time, make all needful and proper repairs so that the value of the Property shall not in any way be impaired.

Removal of any Part of the Property. Grantor promises not to remove any part of the Property from its present location, except for replacement, maintenance and relocation in the ordinary course of business.

Alterations to the Property. Grantor promises to abstain from the commission of any waste on the Property. Further, Grantor shall make no material alterations, additions or improvements of any type whatever to the Property, regardless of whether such alterations, additions or improvements would increase the value of the Property, nor permit anyone to do so except for tenant improvements and completion of items pursuant to approved plans and specifications, without Lender's prior written consent, which consent may be withheld by Lender in its sole discretion. Grantor will comply with all laws and regulations of all public authorities having jurisdiction over the premises relating to the use, occupancy and maintenance thereof and shall upon request promptly submit to Lender evidence of such compliance.

Due on Sale - Lender's Consent. Grantor shall not sell, further encumber or otherwise dispose of, except as herein provided, any or all of its interest in any part of or all of the Property without first obtaining the written consent of Lender. If any encumbrance, lien, transfer or sale or agreement for these is created, Lender may declare immediately due and payable, the entire balance of the Indebtedness.

Insurance. Grantor promises to keep the Property insured against such risks and in such form as may within the sole discretion of Lender be acceptable, causing Lender to be named as loss payee or if requested by

Lender, as mortgagee. The insurance company shall be chosen by Grantor subject to Lender's approval, which shall not be unreasonably withheld. All insurance policies must provide that Lender will get a minimum of 10 days notice prior to cancellation. At Lender's discretion, Grantor may be required to produce receipts of paid premiums and renewal policies. If Grantor fails to obtain the required coverage, Lender may do so at Grantor's expense. Grantor hereby directs each and every insurer of the Property to make payment of loss to Lender with the proceeds to be applied, only at Lender's option, to the repair and replacement of the damage or loss or to be applied to the Indebtedness with the surplus, if any, to be paid by Lender to Grantor.

Payment of Taxes and Other Applicable Charges. Grantor promises to pay and to discharge liens, encumbrances, taxes, assessments, lease payments and any other charges relating to the Property when levied or assessed against Grantor or the Property.

Environmental Laws and Hazardous or Toxic Materials. Grantor and every tenant have been, are presently and shall continue to be in strict compliance with any applicable local, state and federal environmental laws and regulations. Further, neither Grantor nor any tenant shall manufacture, store, handle, discharge or dispose of hazardous or toxic materials as may be defined by any state or federal law on the Property, except to the extent the existence of such materials has been presently disclosed in writing to Lender. Grantor will immediately notify Lender in writing of any assertion or claim made by any party as to the possible violation of applicable state and federal environmental laws including the location of any hazardous or toxic materials on or about the Property. Grantor indemnifies and holds Lender harmless from any liability or expense of whatsoever nature incurred directly or indirectly as a result of Grantor's violation of applicable local, state and federal environmental laws and regulations or Grantor's involvement with hazardous or toxic materials.

Financial Information. Grantor agrees to supply Lender such financial and other information concerning its affairs and the status of any of its assets as Lender, from time to time, may reasonably request. Grantor further agrees to permit Lender to verify accounts as well as to inspect, copy and to examine the books, records and files of Grantor.

Lender's Right to Enter. Lender or Lender's agents shall have the right and access to inspect the Property at all reasonable times in order to attend to Lender's interests and ensure compliance with the terms of this Security Instrument. If the Property, or any part thereof, shall require inspection, repair or maintenance which Grantor has failed to provide, Lender, after reasonable notice, may enter upon the Property to effect such obligation; and the cost thereof shall be added to the Indebtedness and paid on Lender's demand by Grantor.

ASSIGNMENT OF LEASES AND RENTS. As additional security for the payment of the Indebtedness and the performance of the covenants contained herein, Grantor hereby assigns and transfers over to Lender all rents, income and profits ("Rents") under any present or future leases, subleases or licenses of the Property, including any guaranties, extensions, amendments or renewals thereof, from the use of the Property. So long as Grantor is not in default, Grantor may receive, collect and enjoy all Rents accruing from the Property, but not more than one month in advance of the due date. Lender may also require Grantor, tenant and any other user of the Property to make payments of Rents directly to Lender. However, by receiving any such payments, Lender is not, and shall not be considered, an agent for any party or entity. Any amounts collected may, at Lender's sole discretion, be applied to protect Lender's interest in the Property, including but not limited to the payment of taxes and insurance premiums and to the Indebtedness. At Lender's sole discretion, all leases, subleases and licenses must first be approved by Lender.

CONDEMNATION. Grantor shall give Lender notice of any action taken or threatened to be taken by private or public entities to appropriate the Property or any part thereof, through condemnation, eminent domain or any other action. Further, Lender shall be permitted to participate or intervene in any of the above described proceedings in any manner it shall at its sole discretion determine. Lender is hereby given full power, right and authority to receive and receipt for any and all damages awarded as a result of the full or partial taking or appropriation and in its sole discretion, to apply said awards to the Indebtedness, whether or not then due or otherwise in accordance

with applicable law. Unless Lender otherwise agrees in writing, any application of proceeds to the Indebtedness shall not extend or postpone the due date of the payments due under the Indebtedness or change the amount of such payments.

GRANTOR'S ASSURANCES. At any time, upon a request of Lender, Grantor will execute and deliver to Lender, and if appropriate, cause to be recorded, such further mortgages, assignments, assignments of leases and rents, security agreements, pledges, financing statements, or such other document as Lender may require, in Lender's sole discretion, to effectuate, complete and to perfect as well as to continue to preserve the Indebtedness, or the lien or security interest created by this Security Instrument.

ATTORNEY-IN-FACT. Grantor appoints Lender as attorney-in-fact on behalf of Grantor. If Grantor fails to fulfill any of Grantor's obligations under this Security Instrument or any Related Documents, including those obligations mentioned in the preceding paragraph, Lender as attorney-in-fact may fulfill the obligations without notice to Grantor. This power of attorney shall not be affected by the disability of the Grantor.

EVENTS OF DEFAULT. The following events shall constitute default under this Security Instrument (each an "Event of Default"):

- (a) Failure to make required payments when due under Indebtedness;
- (b) Failure to perform or keep any of the covenants of this Security Instrument or a default under any of the Related Documents;
- (c) The making of any oral or written statement or assertion to Lender that is false or misleading in any material respect by Grantor or any person obligated on the Indebtedness;
- (d) The death, dissolution, insolvency, bankruptcy or receivership proceeding of Grantor or of any person or entity obligated on the Indebtedness;
- (e) Any assignment by Grantor for the benefit of Grantor's creditors;
- (f) A material adverse change occurs in the financial condition, ownership or management of Grantor or any person obligated on the Indebtedness; or
- (g) Lender deems itself insecure for any reason whatsoever.

REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default, Lender may, without demand or notice, pay any or all taxes, assessments, premiums, and liens required to be paid by Grantor, effect any insurance provided for herein, make such repairs, cause the abstracts of title or title insurance policy and tax histories of the Property to be certified to date, or procure new abstracts of title or title insurance and tax histories in case none were furnished to it, and procure title reports covering the Property, including surveys. The amounts paid for any such purposes will be added to the Indebtedness and will bear interest at the rate of interest otherwise accruing on the Indebtedness until paid. In the event of foreclosure, the abstracts of title or title insurance shall become the property of Lender. All abstracts of title, title insurance, tax histories, surveys, and other documents pertaining to the Indebtedness will remain in Lender's possession until the Indebtedness is paid in full.

IN THE EVENT OF THE SALE OF THIS PROPERTY UNDER THE PROCEDURE FOR FORECLOSURE OF A SECURITY INSTRUMENT BY ADVERTISEMENT, AS PROVIDED BY APPLICABLE LAW, OR IN THE EVENT LENDER EXERCISES ITS RIGHTS UNDER THE ASSIGNMENT OF LEASES AND RENTS, THE GRANTOR HEREBY WAIVES ANY RIGHT TO ANY NOTICE OTHER THAN THAT PROVIDED FOR SPECIFICALLY BY STATUTE, OR TO ANY JUDICIAL HEARING PRIOR TO SUCH SALE OR OTHER EXERCISE OF RIGHTS.

Upon the occurrence of an Event of Default, Lender may, without notice unless required by law, and at its option, declare the entire Indebtedness due and payable, as it may elect, regardless of the date or dates of maturity thereof and, if permitted by state law, is authorized and empowered to cause the Property to be sold at public auction, and to execute and deliver to the purchaser or purchasers at such sale any deeds of conveyance good and sufficient at law, pursuant to the statute in such case made and provided, and out of the proceeds of the sale to retain the sums then due hereunder and all costs and charges of the sale, including attorneys' fees, rendering any surplus to the party or parties entitled to it. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made in it. If Lender chooses to invoke the power of sale, Lender or Trustee will provide notice of sale

pursuant to applicable law. Any such sale or a sale made pursuant to a judgment or a decree for the foreclosure hereof may, at the option of Lender, be made en masse. The commencement of proceedings to foreclose this Security Instrument in any manner authorized by law shall be deemed as exercise of the above option.

Upon the occurrence of an Event of Default, Lender shall immediately be entitled to make application for and obtain the appointment of a receiver for the Property and of the earnings, income, issue and profits of it, with the powers as the court making the appointments confers. Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor.

NO WAIVER. No delay or failure of Lender to exercise any right, remedy, power or privilege hereunder shall affect that right, remedy, power or privilege nor shall any single or partial exercise thereof preclude the exercise of any right, remedy, power or privilege. No Lender delay or failure to demand strict adherence to the terms of this Security Instrument shall be deemed to constitute a course of conduct inconsistent with Lender's right at any time, before or after an event of default, to demand strict adherence to the terms of this Security Instrument and the Related Documents.

SUBSTITUTE TRUSTEE. Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Security Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

JOINT AND SEVERAL LIABILITY. If this Security Instrument should be signed by more than one person, all persons executing this Security Instrument agree that they shall be jointly and severally bound, where permitted by law.

SURVIVAL. Lender's rights in this Security Instrument will continue in its successors and assigns. This Security Instrument is binding on all heirs, executors, administrators, assigns and successors of Grantor.

NOTICES AND WAIVER OF NOTICE. Unless otherwise required by applicable law, any notice or demand given by Lender to any party is considered effective when it is deposited in the United States Mail with the appropriate postage, mailed to the address of the party given at the beginning of this Security Instrument unless an alternative address has been provided to Lender in writing. To the extent permitted by law, Grantor waives notice of Lender's acceptance of this Security Instrument, defenses based on suretyship, any defense arising from any election by Lender under the United States Bankruptcy Code, Uniform Commercial Code, as enacted in the state where Lender is located or other applicable law or in equity, demand, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor and any other notice.

TO THE EXTENT PERMITTED BY LAW, GRANTOR WAIVES ANY RIGHT TO NOTICE, OTHER THAN THE NOTICE PROVIDED ABOVE, AND WAIVES ANY RIGHT TO ANY HEARING, JUDICIAL OR OTHERWISE, PRIOR TO LENDER EXERCISING ITS RIGHTS UNDER THIS SECURITY INSTRUMENT.

WAIVER OF APPRAISEMENT RIGHTS. Grantor waives all appraisement rights relating to the Property to the extent permitted by law.

LENDER'S EXPENSES. Grantor agrees to pay all expenses incurred by Lender in connection with enforcement of its rights under the Indebtedness, this Security Instrument or in the event Lender is made party to any litigation because of the existence of the Indebtedness or this Security Instrument, as well as court costs, collection charges and reasonable attorneys' fees and disbursements.

ASSIGNABILITY. Lender may assign or otherwise transfer this Security Instrument or any of Lender's rights under this Security Instrument without notice to Grantor. Grantor may not assign this Security Instrument or any part of the Security Instrument without the express written consent of Lender.

GOVERNING LAW. This Security Instrument will be governed by the laws of the State of Mississippi including all proceedings arising from this Security Instrument.

SEVERABILITY. If a court of competent jurisdiction determines any term or provision of this Security Instrument is invalid or prohibited by applicable law, that term or provision will be ineffective to the extent required. Any term or provision that has been determined to be invalid or prohibited will be severed from the rest of the Security Instrument without invalidating the remainder of either the affected provision or this Security Instrument.

WAIVER OF JURY TRIAL. All parties to this Security Instrument hereby knowingly and voluntarily waive, to the fullest extent permitted by law, any right to trial by jury of any dispute, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Security Instrument or any other instrument, document or agreement executed or delivered in connection with this Security Instrument or the related transactions.

ORAL AGREEMENTS DISCLAIMER. This Security Instrument represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

ADDITIONAL PROVISIONS. BORROWER: WELDON GRANGER

NOTE # 1744435

IN THE AMOUNT OF \$259,979.00

MATURITY DATE 06/10/2016

By signing this Security Instrument, each Grantor acknowledges that all provisions have been read and understood. Signed and sealed by Grantor(s):

Weldon Granger
Individually

Date

INDIVIDUAL ACKNOWLEDGMENT

STATE OF TEXAS)
~~MISSISSIPPI~~)
COUNTY OF HARRIS)

Personally appeared before me, the undersigned authority in and for the said county and state, on this June 16, 2011, within my jurisdiction, the within named **Weldon Granger**, who acknowledged that (he)(she) executed the above and foregoing instrument.

My commission expires:

9/23/11

Identification Number

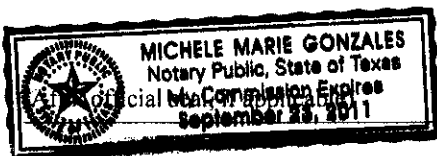


EXHIBIT "A"

Survey and description of a 28.11 acre tract of land situated in the Southeast Quarter of Section 31, Township 1 South, Range 7 West, DeSoto County, Mississippi, and in the Northeast Quarter of Section 6, Township 2 South, Range 7 West, DeSoto County, Mississippi, said 28.11 acre tract being all of the Weldon Granger property as recorded in Deed Book 483, Page 357 and being more particularly described as follows:

Beginning at a ½ inch rebar (set) at the southeast corner of the City of Southaven property as recorded in Deed Book 229, Page 597, said ½ inch rebar being South 88 degrees 51 minutes 04 seconds East 674.95 feet from a mag nail (set) at the southwest corner of the Southeast Quarter of Section 31, Township 1 South, Range 7 West, DeSoto County, Mississippi; thence North 01 degrees 12 minutes 23 seconds West passing through a metal "T" post (found) on line at 330.00 feet and continuing for a total distance of 1337.61 feet to an old ¾ inch crimped top pipe (found); thence North 89 degrees 19 minutes 51 seconds East along the south line of the White Oaks Subdivision as recorded in Plat Book 7, Page 1, passing an old 3 inch pipe (found) at 68.62 feet and continuing for a total distance of 690.34 feet to an old 1 inch square iron bar (found) at the southeast corner of Lot 5 of said White Oaks Subdivision, said iron bar also being the southwest corner of Lot 162 of the 1st Addition to Southern Pine Subdivision as recorded in Plat Book 28, Page 9; thence South 00 degrees 16 minutes 46 seconds West along the west line of the Lawyer Chalmers property 1360.88 feet to a ½ inch rebar (found) on the north right-of-way line of Nail Road (53 feet wide) as shown on plat of Highland Grove Subdivision as recorded in Plat Book 105, Page 1; thence South 00 degrees 17 minutes 26 seconds East along the west line of said Highland Grove Subdivision 664.95 feet to a concrete monument (found); thence North 88 degrees 39 minutes 01 seconds West along the north line of the Bettye Jenkins property as recorded in Deed Book 57, Page 271 as evidenced by an old wire fence 474.17 feet to a ½ inch rebar (set) at an old fence corner; thence North 00 degrees 42 minutes 24 seconds West along the east line of the Cornerstone Church property as recorded in Deed Book 496, Page 32 a distance of 665.77 feet (Deed call – 665.3 feet) to a ½ inch rebar (set); thence North 88 degrees 51 minutes 04 seconds West along the north line of said Cornerstone Church property 176.65 feet to the point of beginning, containing 1,224,482.56 square feet or 28.11 acres, more or less. Subject to the City of Southaven and DeSoto County Subdivision and Zoning Regulations. Subject to any easements for utilities. Subject to right-of-way for Nail Road.

AND

Description of a proposed 30 foot ingress and egress easement in the Northeast ¼ of Section 6, Township 2 South, Range 7 West, Southaven, DeSoto County, Mississippi, being the North 30 feet of the Cornerstone Church Of The

Assemblies Of God, Inc. 13.0 acre tract as recorded in Quitclaim Deed in Book 496, Page 32 and being more particularly described as follows:

Beginning at a mag nail (found) at the northwest corner of the Northeast $\frac{1}{4}$ of said Section 6 per Plat Book 28, Page 2, said point being in the intersection of the centerline of Nail Road and the centerline of Elmore Road; thence North 88 degrees 18 minutes 00 seconds East along the south line of the City of Southaven 5 acre tract as recorded Warranty Deed Book 229, Page 597, passing a $\frac{1}{2}$ inch re-bar (found) at the southeast corner of the 5 acre tract at 674.95 feet and continuing North 88 degrees 18 minutes 00 seconds East along the south line of the Weldon Granger 28.11 acre tract (call 28.45 acres) as recorded in Warranty Deed in Book 483, Page 357, a distance of 176.65 feet for a total distance of 851.60 feet to a $\frac{1}{2}$ inch re-bar (found) at an interior corner of the 28.11 acre tract; thence South 03 degrees 24 minutes 00 seconds East along the west line of the said 28.11 acre tract 30.0 feet to a point; thence South 88 degrees 18 minutes 00 seconds West parallel to the north line of the 13 acre tract 851.6 feet to a point in the centerline of Elmore Road; thence North 03 degrees 24 minutes 00 seconds West along the centerline of Elmore Road 30.0 feet to the Point of Beginning, containing 25,700.40 sq. ft. or 0.59 acres, more or less. Subject to Southaven and DeSoto County subdivision and zoning regulations. Subject to any easements for utilities. Subject to right-of-way for any roads (Elmore Road and Nail Road).

Being part the same property conveyed to Grantor by Quitclaim Deed dated April 1, 2005 and recorded in Book 496, Page 32, Land Records, Chancery Clerk's Office, DeSoto County, Mississippi.